

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:
City of Detroit, Michigan,
Debtor.

Bankruptcy Case No. 13-53846
Honorable Thomas J. Tucker
Chapter 9

CITY OF DETROIT'S OBJECTION TO CLAIM NUMBER 201

The City of Detroit, Michigan (“City”) files its *City of Detroit’s Objection to Claim Number 201* (the “Objection”). Proof of claim number 201 (“Claim 201,” attached as Exhibit 6-1) is overstated because it claims post-petition interest to which the claimant is not entitled.

BACKGROUND

1. Michael Beydoun was injured in an automobile accident which occurred on May 19, 2008. On April 26, 2011, a judgment was entered against the City in Wayne County Circuit Court case number 09-026647-NI in the amount of \$2,056,998.50. Exhibit 6-1 (attached to proof of claim). This was a “third party” case brought under MCL 500.3135.

2. On June 3, 2011, the Wayne County Circuit Court further awarded \$4,231.08 in costs, \$25,560.00 in attorneys’ fees, and \$108,200.50 in interest up through June 30, 2011. Exhibit 6-1 (attached to proof of claim). This order closed the case, and the City appealed. The appeal was decided against the City well after the City had filed its bankruptcy petition.

3. On December 11, 2013, Michael Beydoun and his attorney, Raymond Guzall III, filed Claim 201 in the amount of \$2,334,113.50 based on the court judgment and subsequent award of fees and costs. Claim 201, attached as Exhibit 6-1. Beydoun calculates his claim as including post-petition interest, even though his claim is unsecured.

4. “The general rule of actions in bankruptcy is that unsecured creditors are not entitled to postpetition interest upon their allowable claims.” *Thompson v. Ky. Lumber Co. (In re Ky. Lumber Co.)*, 860 F.2d 674, 676 (6th Cir. 1988). Further, the City’s confirmed *Eighth Amended Plan for the Adjustment of Debts of the City of Detroit (October 22, 2014)* (the “Plan,” Doc. No. 8045) expressly states that there is to be no postpetition interest on unsecured claims. Plan, Art. V.J.1. Thus, Beydoun is not entitled to post-petition interest on his unsecured claim. Computing his claim using the formula provided by state law (M.C.L. 600.6013(8)) yields a claim as of the City’s July 18, 2013, petition date of \$2,293,293.06. Calculation, Ex. 6-2; M.C.L. 600.6013, Ex. 6-3; Judgment Rates, Ex. 6-4. Thus, Claim 201 should be reduced to \$2,293,293.06.

5. Claim 201 arises under MCL 500.3135. Accordingly, under Article IV, Section S of the City’s Plan, Claim 201 should be satisfied as follows: \$20,000 should be paid in cash, and the balance of \$2,273,293.06 should be allowed as a Class 14 Other Unsecured Claim under Article II, Section B(3)(u) of the Plan.

6. Several of Beydoun's creditors have submitted garnishments against his claim. Thus, although the City seeks to establish the allowed amount of his claim through this objection, the City does not seek to immediately pay the cash portion of it until the competing rights of his creditors are established.

7. Accordingly, the City asks that the Court enter the proposed order appended as Exhibit 1, reducing the amount of Claim 201.

October 13, 2016

Respectfully submitted,

By: /s/ Marc N. Swanson

Jonathan S. Green (P33140)

Marc N. Swanson (P71149)

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Charles N. Raimi (P29746)

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raimic@detroitmi.gov

ATTORNEYS FOR THE CITY OF DETROIT

EXHIBIT LIST

Exhibit 1 Proposed Order

Exhibit 2 Notice of Objection

Exhibit 3 None

Exhibit 4 Certificate of Service

Exhibit 5 None

Exhibit 6-1 Claim 201

Exhibit 6-2 Interest Calculation

Exhibit 6-3 M.C.L. § 600.6013

Exhibit 6-4 Judgment Rates

EXHIBIT 1

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re: City of Detroit, Michigan, Debtor.	Bankruptcy Case No. 13-53846 Honorable Thomas J. Tucker Chapter 9
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**[PROPOSED] ORDER SUSTAINING
CITY OF DETROIT'S OBJECTIONS TO CLAIM NUMBER 201**

This matter having come before the Court on the *City of Detroit's Objection to Claim Number 201* ("Objection"), upon proper notice and a hearing, the Court being fully advised in the premises, and there being good cause to grant the relief requested,

THE COURT ORDERS THAT:

1. The Objection is sustained.
2. Proof of claim number 201 is allowed as a cash claim for \$20,000 and an unsecured class 14 claim in the amount of \$2,273,293.06.
3. The City's claims agent is authorized to update the claims register in accordance with the terms of this Order.
4. Nothing in this Order in any way restricts the City's right or ability to seek a ruling determining the rights of Michael Beydoun (current claimant under

proof of claim 201) and his garnishing creditors as to the amounts to be paid out under proof of claim number 201.

5. The Court retains jurisdiction over any and all matters arising from the interpretation or implementation of this Order.

EXHIBIT 2 – NOTICE

UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

In re: City of Detroit, Michigan, Debtor.	Bankruptcy Case No. 13-53846 Honorable Thomas J. Tucker Chapter 9
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NOTICE OF OBJECTION TO CLAIM

The City of Detroit has filed an objection to a claim in this bankruptcy case which may affect you.

The claim may be reduced, modified, or denied. You should read these papers carefully and discuss them with your attorney, if you have one.

If you do not want the Court to deny or change your claim, then on or before November 9, 2016, you or your attorney must:

1. File with the court a written response to the objection, explaining your position at:

United States Bankruptcy Court
211 W. Fort St., Suite 1900
Detroit, Michigan 48226

If you mail your response to the court for filing, you must mail it early enough so that the court will **receive** it on or before the date stated above. All attorneys are required to file pleadings electronically.

You must also mail a copy to:

Miller, Canfield, Paddock & Stone, PLC
Attn: Marc N. Swanson
150 West Jefferson, Suite 2500
Detroit, Michigan 48226

2. Attend the hearing on the objection, scheduled to be held on **November 16, 2016, at 1:30 p.m.** in Courtroom 1925, United States Bankruptcy Court, 211 W. Fort Street, Detroit, Michigan, unless your attendance is excused by mutual agreement between yourself and the City's attorney. (Unless the matter is disposed of summarily as a matter of law, the hearing shall be a pre-trial conference only; neither testimony nor other evidence will be received. A pre-trial scheduling order may be issued as a result of the pre-trial conference.)

If you or your attorney do not take these steps, the Court may deem that you do not oppose the objection to your claim, in which event the hearing will be canceled, and the objection sustained.

MILLER, CANFIELD, PADDOCK AND STONE, P.L.C.

By: /s/ Marc N. Swanson

Marc N. Swanson (P71149)
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
Telephone: (313) 496-7591
Facsimile: (313) 496-8451
swansonm@millercanfield.com

Dated: October 13, 2016

EXHIBIT 4 – CERTIFICATE OF SERVICE
UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In re:
City of Detroit, Michigan,
Debtor.

Bankruptcy Case No. 13-53846
Judge Thomas J. Tucker
Chapter 9

The undersigned hereby certifies that on October 13, 2016, he caused a copy of the *City of Detroit's Objection to Claim Number 201* to be served upon all parties registered for ECF service and by first class mail to the following parties:

Raymond Guzall III, P.C.
31555 West Fourteen Mile Road
Suite 320
Farmington Hills, MI 48334

David B. Landry
Nancy Vayda Dembinski
Landry, Mazzeo & Dembinski PC
37000 Grand River, Ste 200
Farmington Hills, MI 48335

Barry A. Seifman
Barry A. Seifman, P.C.
30445 Northwestern Hwy, #310fc
Farmington Hills, MI 48334

General Shale Brick, Inc.
c/o John Colucci
33659 Angeline
Livonia, MI 48150

David W. Warren
Joelson Rosenberg, PLC
30665 Northwestern Hwy, #200
Farmington Hills, MI 48334

Kajy Development, L.L.C.
c/o David W. Yaldo
4036 Telegraph Road, Suite 204
Bloomfield Hills, MI 48302

Michael Beydoun
6307 Heyen
Dearborn Heights, MI 48127

Dated: October 13, 2016

By: /s/ Marc N. Swanson

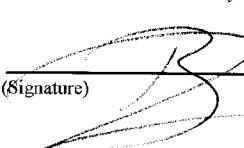
Marc N. Swanson (P71149)
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
Telephone: (313) 496-7591
Facsimile: (313) 496-8451
swansonm@millercanfield.com

EXHIBIT 6-1

Claim 201

B10 (Official Form 10) (04/13) (Modified)

FILED
CHAPTER 9
PROOF OF CLAIM

UNITED STATES BANKRUPTCY COURT		EASTERN DISTRICT of MICHIGAN	2013 DEC 11 AM 11:03 U.S. BANKRUPTCY COURT EASTERN DISTRICT OF MICHIGAN DETROIT
Name of Debtor: City of Detroit, Michigan		Case Number: 13-53846	
NOTE: Do not use this form to make a claim for an administrative expense that arises after the bankruptcy filing.			
Name of Creditor (the person or other entity to whom the debtor owes money or property): <i>Michigan City Dorn & his attorney - Raymond Guzall III</i>			
Name and address where notices should be sent: <i>Raymond Guzall III, P.C. 31555 West Fourteen Mile Rd, Suite 320 Farmington Hills, MI 48334</i>		<input type="checkbox"/> Check this box if this claim amends a previously filed claim. Court Claim Number: _____ <i>(If known)</i> Filed on: _____	
Telephone number: 248-702-6122 email: <i>RAY.GUZALL@ATTORNEY.GUZALL.COM</i>		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to this claim. Attach copy of statement giving particulars.	
Name and address where payment should be sent (if different from above):			
Telephone number: _____ email: _____			
1. Amount of Claim as of Date Case Filed: \$ <i>2,334,113.50</i> Through Dec. 31, 2013, and interest is still accruing <input type="checkbox"/> Check this box if the claim includes interest or other charges in addition to the principal amount of the claim. Attach a statement that itemizes interest or charges.			
2. Basis for Claim: <i>Judgment and Court Order</i> (See instruction #2)			
3. Last four digits of any number by which creditor identifies debtor: <i>Court Case # 09-026647 MI</i>		3a. Debtor may have scheduled account as: (See instruction #3a)	
4. Secured Claim (See instruction #4) Check the appropriate box if the claim is secured by a lien on property or a right of setoff, attach required redacted documents, and provide the requested information.			
Nature of property or right of setoff: <input type="checkbox"/> Real Estate <input type="checkbox"/> Motor Vehicle <input type="checkbox"/> Other Describe: Value of Property: \$ _____ Amount of Secured Claim: \$ _____ Annual Interest Rate (when case was filed) % <input type="checkbox"/> Fixed or <input type="checkbox"/> Variable Amount Unsecured: \$ _____			
5. Amount of Claim Entitled to Priority as an Administrative Expense under 11 U.S.C. §§ 503(b)(9) and 507(a)(2). \$ _____			
5b. Amount of Claim Otherwise Entitled to Priority. Specify Applicable Section of 11 U.S.C. § _____ \$ _____			
6. Credits. The amount of all payments on this claim has been credited for the purpose of making this proof of claim. (See instruction #6)			
7. Documents: Attached are redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, security agreements, or, in the case of a claim based on an open-end or revolving consumer credit agreement, a statement providing the information required by FRBP 3001(c)(3)(A). If the claim is secured, box 4 has been completed, and redacted copies of documents providing evidence of perfection of a security interest are attached. (See instruction #7, and the definition of "redacted".) DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING. If the documents are not available, please explain:			
8. Signature: (See instruction # 8) Check the appropriate box.			
<input checked="" type="checkbox"/> I am the creditor. <input checked="" type="checkbox"/> I am the creditor's authorized agent. <i>ATTORNEY FEES AND COSTS AS TO JUDGMENT</i> <input type="checkbox"/> I am the trustee, or the debtor, or their authorized agent. (See Bankruptcy Rule 3004.) <input type="checkbox"/> I am a guarantor, surety, indorser, or other codebtor. (See Bankruptcy Rule 3005.)			
I declare under penalty of perjury that the information provided in this claim is true and correct to the best of my knowledge, information, and reasonable belief. Print Name: <i>RAYMOND GUZALL III</i> Title: <i>ATTORNEY</i> Company: <i>RAYMOND GUZALL III P.C.</i> Address and telephone number (if different from notice address above): _____			
Telephone number: _____ email: _____		 (Signature) 12-9-13 (Date)	

Penalty for presenting fraudulent claim: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.

KURTZMAN CARSON CONSULTANTS

STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

MICHAEL BEYDOUN,

Plaintiff,

v

CHARLES BENJAMIN WILLS JR.
and CITY OF DETROIT,
jointly and severally,

Defendants.

Barry A. Seifman (P20197)
Raymond Guzall III (P60980)
SEIFMAN & GUZALL, P.C.
Attorney for Plaintiff
30665 Northwestern Hwy. #255
Farmington Hills, MI 48334
(248)538-0711

Marion R. Jenkins (P26257)
Assistant Corporation Counsel
Attorney for Defendant City of Detroit
660 Woodward Avenue, Suite 1650
Detroit, Michigan 48226
(313) 237-3032

ORDER OF JUDGMENT AGAINST CITY OF DETROIT
IN FAVOR OF PLAINTIFF MICHAEL BEYDOUN

At a session of said Court, held in the City of
Detroit, County of Wayne, State of Michigan,
on

~~APR 26 2011~~

PRESENT: HON.

ROBERT J. COLOMBO, JR.

HON. ROBERT J. COLOMBO, JR.

This matter having come before the Court, and tried before a jury, and the
jury rendering a verdict on April 8, 2011, and the Court being fully advised in the
premises:

IT IS HEREBY ORDERED that judgment is entered in favor of Plaintiff in the
amount of \$125,000.00 for non-economic damages from the date of Plaintiff's injury
to the date of the jury verdict and \$125,000.00 for future non-economic damages,

against the Defendant, City of Detroit.

IT IS FURTHER ORDERED that judgment is entered in favor of Plaintiff in the amount of \$542,405.00 from the date of Plaintiff's injury to the date of the jury verdict as economic damages against the City of Detroit, and \$1,493,250.00 in future economic damages against the Defendant, the City of Detroit.

IT IS FURTHER ORDERED that the above judgment amounts against the Defendant, City of Detroit, are reduced by 10% for comparative negligence pursuant to the jury's verdict. Therefore, it is ordered that the total jury verdict amount of \$2,285,655.00 is reduced by 10%, which equates to \$228,565.50.

Therefore, IT IS ORDERED that the total judgment in favor of Plaintiff, Michael Beydoun, and against Defendant, the City of Detroit, is \$2,056,998.50.

IT IS FURTHER ORDERED that Defendant, Charles Benjamin Wills Jr., is dismissed from the case as of April 7, 2011, as ordered by the Court, after hearing oral arguments from both attorneys in open Court.

IT IS FURTHER ORDERED that Plaintiff, Michael Beydoun, shall be awarded costs and interest as provided by law, and that case evaluation sanctions shall be awarded upon presentment of such proofs to the Court after entry of this Order of Judgment, in accord with the law. This does not close the case because costs, interest and case evaluation sanctions will remain outstanding after entry of this Order.

ROBERT J. COLOMBO, JR.

HONORABLE ROBERT J. COLOMBO, JR.

COLOMBO
HONORABLE ROBERT J. COLOMBO, JR.
DEPUTY CLERK
10/13/2016

STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF WAYNE

MICHAEL BEYDOUN,

Plaintiff,

v

CHARLES BENJAMIN WILLS JR.
and CITY OF DETROIT,
jointly and severally,

Defendants.

Barry A. Seifman (P20197)
Raymond Guzall III (P60980)
SEIFMAN & GUZALL, P.C.
Attorney for Plaintiff
30665 Northwestern Hwy. #255
Farmington Hills, MI 48334
(248)538-0711

Marion R. Jenkins (P26257)
Assistant Corporation Counsel
Attorney for Defendant City of Detroit
660 Woodward Avenue, Suite 1650
Detroit, Michigan 48226
(313) 237-3032

**ORDER GRANTING PLAINTIFF'S MOTION FOR COSTS,
ATTORNEY FEES AND STATUTORY INTEREST**

At a session of said Court, held in the City of
Detroit, County of Wayne, State of Michigan,
on JUN - 3 2011

PRESENT: HON.

ROBERT J. COLOMBO, JR.

HON. ROBERT J. COLOMBO, JR.

This parties having appeared before the Court through their counsel upon
Plaintiff's Motion for Costs and Attorney Fees Pursuant to Case Evaluation
Sanctions under MCR 2.403 and other applicable law and for statutory interest,
arguments having been heard and the Court being otherwise advised in the
premises:

IT IS HEREBY ORDERED that costs are awarded to Plaintiff in the amount

of \$ 4,231.08, up to the date of this Order.

IT IS FURTHER ORDERED that attorney fees are awarded to Plaintiff's attorneys in the amount of \$ \$25,650.00 for the reasons stated on the record.

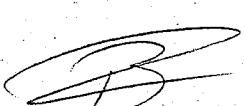
IT IS ALSO FURTHER ORDERED that statutory interest is awarded in the amount of \$ 108,200.25 up to the date of June 30, 2011, and that statutory interest will continue to accrue according to law until the judgment and all outstanding monies owed are paid in full by Defendant City of Detroit.

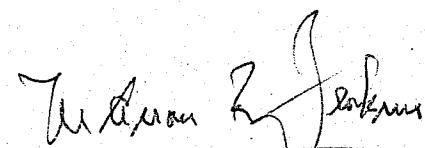
IT IS FURTHER ORDERED THAT Defendants Motion For New Trial is Denied. This order closes the case.

ROBERT J. COLOMBO, JR.

HONORABLE ROBERT J. COLOMBO, JR.

A TRUE COPY
CARROLL M. GARRETT
WAYNE COUNTY CLERK
10/13/2016


Raymond J. Jenkins


Marion R. Jenkins

**INTEREST UPON JUDGEMENT, FEES AND COSTS
BEYDOUN V CITY OF DETROIT 09-026647-NI**

\$2,056,998.50 Judgment on April 26, 2011

Interest upon the Judgment through June 30, 2011 = \$108,200.25

Attorney fee ordered on June 3, 2011 = \$25,650.00

Costs ordered on June 3, 2011 = \$4,231.08

October 29, 2009 date of complaint filed

JUDGMENT INTEREST

July 1, 2011 – 3.007%

$(\$2,056,998.50 + \text{interest through June 30, 2011 } \$108,200.25 = \$2,184,600.00 \times .03007 = \$65,690.92 / 365 \text{ days} = \$179.97 \text{ per day})$

184 days x \$179.97 per day = \$33,115.42

\$2,184,600.00 + \$33,115.42 = \$2,217,715.40

\$2,217,715.40 = amount owed on judgment up to December 31, 2011.

January 1, 2012 - 2.083%

$(\$2,217,715.40 \times .02083 = \$46,195.01 / 366 \text{ days} = \$126.21 \text{ per day})$

181 days x \$126.21 per day = \$22,844.01 (interest from 1-1-12 to 6-30-12)

July 1, 2012 - 1.871%

$(\$2,217,715.40 \times .01871 = \$41,493.45 / 366 \text{ days} = \$113.37 \text{ per day})$

185 days x \$113.37 per day = \$20,973.45 (interest from 7-1-12 to 12-31-12)

compounding \$22,844.01 + \$20,973.45 = \$43,817.46

\$2,217,715.40 + \$43,817.46 = \$2,261,532.80 amount owed on judgment up to December 31, 2012.

January 1, 2013 - 1.687%

$(\$2,261,532.80 \times .01687 = \$38,152.05 / 365 = \$104.52 \text{ per day})$

181 days x \$104.52 per day = \$18,918.12 (interest from 1-1-13 to 6-30-13)

July 1, 2013 - 1.944%
(\$2,261,532.80 x .01944 = \$43,964.19 / 365 = \$120.44 per day).

184 days x \$120.44 per day = \$22,160.96 (interest from 7-1-13 to 12-31-13)

compounding \$18,918.12 + \$22,160.96 = \$41,079.08

\$2,261,532.80 + \$41,079.08 = \$2,302,611.80 (Total Judgment and interest upon judgment through December 31, 2013).

INTEREST ON ATTORNEY FEES

\$25,650.00

July 1, 2011 – 3.007%
(\$25,650.00 x .03007 = \$771.29 / 365 days = \$2.113 per day)

184 days x \$2.113 per day = \$388.81

January 1, 2012 - 2.083%
(\$25,650.00 x .02083 = \$551.99 / 366 days = \$1.508 per day)

181 days x \$1.508 per day = \$272.97 (interest from 1-1-12 to 6-30-12)

compound \$388.81 + \$272.97 = \$661.78

\$25,650.00 + \$661.78 = \$26,311.78

July 1, 2012 - 1.871%
(\$26,311.78 x .01871 = \$492.29 / 366 days = \$1.345 per day)

185 days x \$1.345 per day = \$248.83 (interest from 7-1-12 to 12-31-12)

January 1, 2013 - 1.687%
(\$26,311.78 x .01687 = \$443.87 / 365 = \$1.216 per day).

181 days x \$1.216 per day = \$220.11 (interest from 1-1-13 to 6-30-13)

compound \$248.83 + \$220.11 = \$468.94

July 1, 2013 - 1.944%
(\$26,780.07 x .01944 = \$520.61 / 365 = \$1.426 per day).

184 days x \$1.426 per day = \$262.44 (interest from 7-1-13 to 12-31-13)

\$26,780.07 + \$262.44 = \$27,042.51 (Total attorney fees and interest upon attorney fees through December 31, 2013).

INTEREST ON COSTS

\$4,231.08

July 1, 2011 – 3.007%
(\$4,231.08 x .03007 = \$127.22 / 365 days = \$.348 per day)

184 days x \$.348 per day = \$64.13

January 1, 2012 - 2.083%
(\$4,231.08 x .02083 = \$88.13 / 366 days = \$.24 per day)

181 days x \$.24 per day = \$43.44 (interest from 1-1-12 to 6-30-12)

compound \$64.13 + \$43.44 = \$107.57

\$4,231.08 + \$107.57 = \$4,338.65

July 1, 2012 - 1.871%
(\$4,338.65 x .01871 = \$81.17 / 366 days = \$.22 per day)

185 days x \$.22 per day = \$41.03 (interest from 7-1-12 to 12-31-12)

January 1, 2013 - 1.687%
(\$4,338.65 x .01687 = \$73.19 / 365 = \$.20 per day).

181 days x \$.20 per day = \$36.29 (interest from 1-1-13 to 6-30-13)

compound \$41.03 + \$36.29 = \$77.32

July 1, 2013 - 1.944%
(\$4415.97 x .01944 = \$85.84 / 365 = \$.235 per day).

184 days x \$.235 per day = \$43.27 (interest from 7-1-13 to 12-31-13)

\$4,415.97 + \$43.27 = \$4,459.24 (Total costs and interest upon costs through December 31, 2013).

\$2,302,611.80 + \$27,042.51 + \$4,459.24 = \$2,334,113.50 total owed through 12-31-13

EXHIBIT 6-2

Interest Calculation

Beydoun claim and interest calculation

Award	\$2,056,998.50
Costs	\$4,231.08
Fees	\$25,650.00
Interest (thru 6/30/11)	\$108,200.50

Interest					
<u>Rate Date</u>	<u>Claim Face Value</u>	<u>Rate</u>	<u>Per Day</u>	<u>Days</u>	<u>Interest</u>
7/1/2011	\$2,195,080.08	3.007%	\$180.84	184	\$33,274.29
1/1/2012		2.083%	\$125.27	182	\$22,799.12
7/1/2012	\$2,251,153.49	1.871%	\$115.39	184	\$21,232.63
1/1/2013		1.687%	\$104.05	181	\$18,832.41
7/1/2013	<u>\$2,291,218.53</u>	1.944%	\$122.03	17	\$2,074.53
7/18/2013	\$2,293,293.06				

Claim = \$2,293,293.06 as of the Petition Date

EXHIBIT 6-3

MCL 600.6013

Michigan Compiled Laws Annotated**Chapter 600. Revised Judicature Act of 1961 (Refs & Annos)****Revised Judicature Act of 1961 (Refs & Annos)****Chapter 60. Enforcement of Judgments (Refs & Annos)****M.C.L.A. 600.6013****600.6013. Interest rate on judgment; settlement****Effective: March 28, 2013****Currentness**

Sec. 6013. (1) Interest is allowed on a money judgment recovered in a civil action, as provided in this section. However, for complaints filed on or after October 1, 1986, interest is not allowed on future damages from the date of filing the complaint to the date of entry of the judgment. As used in this subsection, "future damages" means that term as defined in section 6301. ¹

(2) For complaints filed before June 1, 1980, in an action involving other than a written instrument having a rate of interest exceeding 6% per year, the interest on the judgment is calculated from the date of filing the complaint to June 1, 1980, at the rate of 6% per year and on and after June 1, 1980, to the date of satisfaction of the judgment at the rate of 12% per year compounded annually.

(3) For a complaint filed before June 1, 1980, in an action involving a written instrument having a rate of interest exceeding 6% per year, the interest on the judgment is calculated from the date of filing the complaint to the date of satisfaction of the judgment at the rate specified in the instrument if the rate was legal at the time the instrument was executed. However, the rate after the date judgment is entered shall not exceed either of the following:

(a) Seven percent per year compounded annually for a period of time between the date judgment is entered and the date of satisfaction of the judgment that elapses before June 1, 1980.

(b) Thirteen percent per year compounded annually for a period of time between the date judgment is entered and the date of satisfaction of the judgment that elapses after May 31, 1980.

(4) For a complaint filed on or after June 1, 1980, but before January 1, 1987, interest is calculated from the date of filing the complaint to the date of satisfaction of the judgment at the rate of 12% per year compounded annually unless the judgment is rendered on a written instrument having a higher rate of interest. In that case, interest is calculated at the rate specified in the instrument if the rate was legal at the time the instrument was executed. The rate under this subsection shall not exceed 13% per year compounded annually after the date judgment is entered.

(5) Except as provided in subsection (6), for a complaint filed on or after January 1, 1987, but before July 1, 2002, if a judgment is rendered on a written instrument, interest is calculated from the date of filing the complaint to the date of satisfaction of the judgment at the rate of 12% per year compounded annually, unless the instrument has a higher rate of interest. In that case, interest shall be calculated at the rate specified in the instrument if the rate was legal at the

time the instrument was executed. The rate under this subsection shall not exceed 13% per year compounded annually after the date judgment is entered.

(6) For a complaint filed on or after January 1, 1987, but before July 1, 2002, if the civil action has not resulted in a final, nonappealable judgment as of July 1, 2002, and if a judgment is or has been rendered on a written instrument that does not evidence indebtedness with a specified interest rate, interest is calculated as provided in subsection (8).

(7) For a complaint filed on or after July 1, 2002, if a judgment is rendered on a written instrument evidencing indebtedness with a specified interest rate, interest is calculated from the date of filing the complaint to the date of satisfaction of the judgment at the rate specified in the instrument if the rate was legal at the time the instrument was executed. If the rate in the written instrument is a variable rate, interest shall be fixed at the rate in effect under the instrument at the time the complaint is filed. The rate under this subsection shall not exceed 13% per year compounded annually.

(8) Except as otherwise provided in subsections (5) and (7) and subject to subsection (13), for complaints filed on or after January 1, 1987, interest on a money judgment recovered in a civil action is calculated at 6-month intervals from the date of filing the complaint at a rate of interest equal to 1% plus the average interest rate paid at auctions of 5-year United States treasury notes during the 6 months immediately preceding July 1 and January 1, as certified by the state treasurer, and compounded annually, according to this section. Interest under this subsection is calculated on the entire amount of the money judgment, including attorney fees and other costs. In an action for medical malpractice, interest under this subsection on costs or attorney fees awarded under a statute or court rule is not calculated for any period before the entry of the judgment. The amount of interest attributable to that part of the money judgment from which attorney fees are paid is retained by the plaintiff, and not paid to the plaintiff's attorney.

(9) If a bona fide, reasonable written offer of settlement in a civil action based on tort is made by the party against whom the judgment is subsequently rendered and is rejected by the plaintiff, the court shall order that interest is not allowed beyond the date the bona fide, reasonable written offer of settlement is filed with the court.

(10) Except as otherwise provided in subsection (1) and subject to subsections (11) and (12), if a bona fide, reasonable written offer of settlement in a civil action based on tort is not made by the party against whom the judgment is subsequently rendered, or is made and is not filed with the court, the court shall order that interest be calculated from the date of filing the complaint to the date of satisfaction of the judgment.

(11) If a civil action is based on medical malpractice and the defendant in the medical malpractice action failed to allow access to medical records as required under section 2912b(5),² the court shall order that interest be calculated from the date notice was given in compliance with section 2912b to the date of satisfaction of the judgment.

(12) If a civil action is based on medical malpractice and the plaintiff in the medical malpractice action failed to allow access to medical records as required under section 2912b(5), the court shall order that interest be calculated from 182 days after the date the complaint was filed to the date of satisfaction of the judgment.

(13) Except as otherwise provided in subsection (1), if a bona fide, reasonable written offer of settlement in a civil action based on tort is made by a plaintiff for whom the judgment is subsequently rendered and that offer is rejected and the offer

is filed with the court, the court shall order that interest be calculated from the date of the rejection of the offer to the date of satisfaction of the judgment at a rate of interest equal to 2% plus the rate of interest calculated under subsection (8).

(14) A bona fide, reasonable written offer of settlement made according to this section that is not accepted within 21 days after the offer is made is rejected. A rejection under this subsection or otherwise does not preclude a later offer by either party.

(15) As used in this section:

(a) "Bona fide, reasonable written offer of settlement" means either of the following:

(i) With respect to an offer of settlement made by a defendant against whom judgment is subsequently rendered, a written offer of settlement that is not less than 90% of the amount actually received by the plaintiff in the action through judgment.

(ii) With respect to an offer of settlement made by a plaintiff, a written offer of settlement that is not more than 110% of the amount actually received by the plaintiff in the action through judgment.

(b) "Defendant" means a defendant, a counter-defendant, or a cross-defendant.

(c) "Party" means a plaintiff or a defendant.

(d) "Plaintiff" means a plaintiff, a counter-plaintiff, or a cross-plaintiff.

Credits

Amended by P.A.1980, No. 134, § 1, Eff. June 1; P.A.1986, No. 178, § 1, Eff. Oct. 1; P.A.1987, No. 50, § 1, Imd. Eff. June 22; [P.A.1993, No. 78, § 1, Eff. April 1, 1994](#); [P.A.2001, No. 175, Eff. March 22, 2002](#); [P.A.2002, No. 77, Imd. Eff. March 21, 2002](#); [P.A.2012, No. 609, Eff. March 28, 2013](#).

Editors' Notes

APPLICATION

<This section, as amended by P.A.2012, No. 609, applies only to actions in which the cause of action arose on or after March 28, 2013.>

Notes of Decisions (378)

Footnotes

1 [M.C.L.A. § 600.6301](#).

2 M.C.L.A. § 600.2912.

M. C. L. A. 600.6013, MI ST 600.6013

The statutes are current through P.A.2016, No. 185, 187, 190, 193, 195, 196, 197 of the 2016 Regular Session, 98th Legislature.

End of Document

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EXHIBIT 6-4

Judgment Rates

INTEREST RATES FOR MONEY JUDGMENTS

UNDER MCL 600.6013

Revised January 1, 2016

I. [MCL 600.6013(8)] FOR ALL COMPLAINTS FILED ON OR AFTER JANUARY 1, 1987 UNLESS SECTION II, III, or IV APPLIES:

Interest on a money judgment recovered in a civil action is calculated at 6-month intervals from the date of filing the complaint at a rate of interest equal to 1% plus the average interest rate paid at auctions of 5-year United States treasury notes during the 6 months immediately preceding July 1 and January 1, as certified by the state treasurer, and compounded annually, according to this section. Interest under this subsection is calculated on the entire amount of the money judgment, including attorney fees and other costs. See interest rate chart below.

II. [MCL 600.6013(7)] FOR COMPLAINTS FILED ON OR AFTER JULY 1, 2002 THAT ARE BASED ON A WRITTEN INSTRUMENT WITH A SPECIFIED INTEREST RATE:

Interest is calculated from the date of filing the complaint to the date of satisfaction of the judgment at the rate specified in the instrument if the rate was legal at the time the instrument was executed. If the rate in the written instrument is a variable rate, interest shall be fixed at the rate in effect under the instrument at the time the complaint is filed. The rate under this subsection shall not exceed 13% per year compounded annually.

III. [MCL 600.6013(5 and 6)] FOR COMPLAINTS FILED ON OR AFTER JANUARY 1, 1987, BUT BEFORE JULY 1, 2002 THAT ARE BASED ON A WRITTEN INSTRUMENT:

Interest is calculated from the date of filing the complaint to the date of satisfaction of the judgment at the rate of 12% per year compounded annually, unless the instrument has a higher rate of interest. In that case, interest shall be calculated at the rate specified in the instrument if the rate was legal at the time the instrument was executed. The rate shall not exceed 13% per year compounded annually after the date judgment is entered.

Notwithstanding the prior paragraph, if the civil action has not resulted in a final, nonappealable judgment as of July 1, 2002, and if a judgment is or has been rendered on a written instrument that does not evidence indebtedness with a specified interest rate, interest is calculated as provided in Section I above.

IV. ADDITIONAL CONSIDERATIONS:

If the complaint was filed before January 1, 1987, refer to MCL 600.6013(2)–(4).

Interest is not allowed on future damages from the date of filing the complaint to the date of entry of the judgment. [MCL 600.6013(1)]

The amount of allowable interest may be different in certain settlement and medical malpractice case scenarios. [MCL 600.6013(9-13)]

INTEREST RATES FOR MONEY JUDGMENTS

Effective Date	Average Certified by State Treasurer	Statutory 1%	Interest Rate
January 1, 1987	6.66	1%	7.666
July 1, 1987	7.50	1%	8.50
January 1, 1988	8.39	1%	9.39
July 1, 1988	8.21	1%	9.21
January 1, 1989	9.005	1%	10.005
July 1, 1989	9.105	1%	10.105
January 1, 1990	8.015	1%	9.015
July 1, 1990	8.535	1%	9.535
January 1, 1991	8.26	1%	9.26
July 1, 1991	7.715	1%	8.715
January 1, 1992	7.002	1%	8.002
July 1, 1992	6.68	1%	7.68
January 1, 1993	5.797	1%	6.797
July 1, 1993	5.313	1%	6.313
January 1, 1994	5.025	1%	6.025
July 1, 1994	6.128	1%	7.128
January 1, 1995	7.38	1%	8.38
July 1, 1995	6.813	1%	7.813
January 1, 1996	5.953	1%	6.953
July 1, 1996	6.162	1%	7.162
January 1, 1997	6.340	1%	7.340
July 1, 1997	6.497	1%	7.497
January 1, 1998	5.920	1%	6.920
Jul7 1998	5.601	1%	6.601
January 1, 1999	4.8335	1%	5.8335
July 1, 1999	5.067	1%	6.067
January 1, 2000	5.7563	1%	6.7563
July 1, 2000	6.473	1%	7.473
January 1, 2001	5.965	1%	6.965
July 1, 2001	4.782	1%	5.782
January 1, 2002	4.14	1%	5.14
July 1, 2002	4.36	1%	5.36
January 1, 2003	3.189	1%	4.189
July 1, 2003	2.603	1%	3.603
January 1, 2004	3.295	1%	4.295
July 1, 2004	3.357	1%	4.357
January 1, 2005	3.529	1%	4.529
July 1, 2005	3.845	1%	4.845
January 1, 2006	4.221	1%	5.221
July 1, 2006	4.815	1%	5.815
January 1, 2007	4.701	1%	5.701
July 1, 2007	4.741	1%	5.741
January 1, 2008	4.033	1%	5.033
July 1, 2008	3.063	1%	4.063
January 1, 2009	2.695	1%	3.695
July 1, 2009	2.101	1%	3.101
January 1, 2010	2.480	1%	3.480
July 1, 2010	2.339	1%	3.339
January 1, 2011	1.553	1%	2.553
July 1, 2011	2.007	1%	3.007

Effective Date	Average Certified by State Treasurer	Statutory 1%	Interest Rate
January 1, 2012	1.083	1%	2.083
July 1, 2012	0.871	1%	1.871
January 1, 2013	0.687	1%	1.687
July 1, 2013	0.944	1%	1.944
January 1, 2014	1.452	1%	2.452
July 1, 2014	1.622	1%	2.622
January 1, 2015	1.678	1%	2.678
July 1, 2015	1.468	1%	2.468
January 1, 2016	1.571	1%	2.571

This information is also available at <http://www.michigan.gov/treasury>

(click on the Treasury Quick Link entitled *Revenue, Economic & Budget Data*, then scroll to *Economic Reports*)
and at <http://courts.mi.gov/Administration/admin/Pages/Fines,-Fees,-Costs,-and-Rates.aspx>

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